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SENSITIVE
SIPDIS

STATE FOR EAP/MLS
BANGKOK FOR MICHAEL CARBONE

E.O. 12958: N/A
TAGS: [EFIN](#) [ECON](#) [PGOV](#) [CB](#)
SUBJECT: Counterfeit U.S. Currency on the Rise in Cambodia

SENSITIVE BUT UNCLASSIFIED

¶1. (SBU) Summary: The National Bank of Cambodia (NBC) reports a significant increase of counterfeit U.S. currency circulating in Cambodia. In recent months, the amount of fake bills forwarded to the NBC by commercial banks has tripled compared to the total amount received over the past decade. Post is working with the NBC to develop guidelines for the confiscation and disposition of seized counterfeit U.S. notes and collaborating with the U.S. Secret Service in Bangkok to provide assistance in counterfeit detection techniques. End Summary.

¶2. (SBU) During a meeting with econoff June 4, the Deputy Director of the Issue Department of the National Bank of Cambodia (NBC), Ms. Uch Sokhom, expressed her concerns about the rising number of counterfeit U.S. notes forwarded to the NBC from commercial banks. Since 1998, the NBC has instituted a policy of removing counterfeit U.S. currency from circulation and has instructed all commercial banks and microfinance lending institutions to confiscate suspect counterfeit notes and forwarded them to the NBC for verification and disposal. While she conceded that not all of the banks regularly cooperate with NBC in confiscating fake notes, she stated that over the course of the past ten years, the NBC has received approximately USD 10,000 in counterfeit U.S. notes.

¶3. (SBU) According to Ms. Uch, counterfeit U.S. notes circulating in Cambodia are on the rise. She explained that the amount of counterfeit notes forwarded by two of Cambodia's top banks have increased exponentially. In the past six months, Acleda bank has provided over USD 10,000 in counterfeit notes, and the ANZ Royal bank has forwarded over USD 20,000. She explained that of the USD 100 bills confiscated, those dated 2001 and 2003 are the most common and many are "super bills." She said that fake USD 20 bills tend to be dated 2006 and are of a poorer quality than the USD 100 bills, primarily photocopies rather than printing.

¶4. (SBU) When econoff requested that the NBC forward to the Embassy any seized counterfeit U.S. notes that are not being retained for local prosecution or training purposes, she said that the NBC could send a photocopy of the notes, but not the original. Given a general lack of public trust in the integrity of Cambodian officials, Ms. Uch explained that the bank must retain the original seized notes. Customers from whom notes have been confiscated by commercial banks and then forwarded to the NBC regularly descend upon the NBC seeking to verify that the NBC has retained and is storing their confiscated bill(s), suspecting that the bank is collecting money for its own purposes. Only by showing him or her the actual note will the aggrieved customer be satisfied that the NBC is doing nothing untoward.

¶5. (SBU) Ms. Uch appealed for updated guidance on U.S. government policy regarding the confiscation and disposition of seized counterfeit U.S. currency. In particular, she sought a formal letter from the U.S. Embassy requesting the NBC to confiscate counterfeit notes, mark them as counterfeit, and remove them from circulation. This letter, she explained, is necessary to convince

the less cooperative banks that the NBC has the "authority" to take such action and encourage their compliance. She also requested USG assistance in the event the NBC decides to dispose of the seized notes. Post will provide the NBC with the requested updated guidelines and seek the NBC's cooperation in forensic analysis of the seized notes.

¶6. (SBU) Given the increase of counterfeit U.S. currency circulating in Cambodia, the Embassy hosted a U.S. Secret Service-provided training on security features of U.S. currency and counterfeit note detection techniques for nearly 90 commercial bank staff and NBC officials in April. Since then, the Embassy has received numerous requests for additional such training from the Ministry of Foreign Affairs, Cambodian National Police, the NBC, and the business community (the hotel industry is particularly concerned). Post is coordinating with the U.S. Secret Service in Bangkok for future training opportunities, as well as exploring the possibility of conducting a media campaign to educate the general public about counterfeit U.S. notes.

RODLEY